

STATUS OF CONSUMER PROTECTION IN ZAMBIA

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Introduction

- Issues of consumer rights and protection are very important everyday issues.
- Consumers are rational economic agents who are looking to maximize their utility in the services and goods they procure. As such they expend their financial resources with the hope that they will get a meaningful return to satisfy their utility and get value from what they are procuring.
- Service providers are in business to maximize their profits and satisfy their investors.
- Therefore on one side you have a consumer vying to obtain value for money and on the other the business that is trying to minimize costs.
- In most cases the businesses (providers) are organized and more powerful than the disaggregated, badly informed sometimes un organized consumers. As a result more often than not the consumer is at the receiving end of the providers' ambitions and appetite for profit.
- Trying to manage this heterogeneity can be complex and vexing for a regulator.
- In this paper we will try to show how Zambia namely the Communications Authority has been trying to resolve complaints that have arisen from consumers and how providers have also helped raise the bar of consumer protection and right enforcement.

Legal Provisions

□ Current

The Telecommunications Act Chapter 469 . This is the legislation that created the Authority.

- One function of the Authority spelled out by Section 5 (2) (b) states
 - ‘ to promote the interests of consumers, purchasers and other users of telecommunications services(including, in particular, those who are disabled or pensionable age) in respect of the prices charged for, and the quality and variety of such services and apparatus supplied for the purposes of such services’

Legal Provisions cont...

□ Forthcoming Legislation

- The Information and Communication Technologies Bill
- **Part VII of the Act**
- **Section 67**
- (1) *All service providers shall in respect of their specific services*
 - (a) *meet such minimum standards of quality of service as the Authority may specify.*
 - (b) *deal reasonably with consumers*
 - (c) *address consumer complaints*
- (2) *A person who contravenes paragraph (A) of subsection (1) commits an offence and is liable upon conviction , to a fine of four million penalty units and to four hundred thousand penalty units for each day during which the offences continues.*

Continued

Section 68

- (1) *The Authority shall establish guidelines for the making, receipt and handling of complaints of consumers regarding the provision of services regulated under this Act.*
- (2) *The guidelines issued under subsection (1) shall be binding on licensees and persons exempt from holding licenses under this Act.*

Section 69

The Authority shall prepare a code of conduct for licensees and persons exempt from holding licenses under this Act.

Administrative Arrangement

- **Consumer Affairs Unit**
- The Authority has established a consumer affairs unit comprising three officers.
- The unit's functions include:
 - Receipt and investigation of consumer complaints.
 - Conduct consumer education programmes
 - Formulate consumer protection regulation

Consumer Complaint Mechanism.

- **Procedure**
 - Officer receives a complaint through email, telephone, letter or complainant's physical visit.
 - Officer completes form 1 which is the complaint form and complaint is allocated a complaint number and the information is entered in a register.
 - The complaint form is submitted to a supervisor to provide instructions.
 - Officer initiates investigations by writing to the concerned providers as well as the complainant acknowledging receipt of the complaint and outlining the measures to be undertaken.
 - Response is received from providers within a specified time framework and analysis of the response is made.
 - If unsatisfactory a determination is made on the redress to be done or awarded to the complainant, otherwise the matter is closed and the complainant is duly informed.

Consumer Complaints Committee

□ Background

- We had faced a number of problems in our complaint resolution mechanism. Firstly operators took long in responding to our investigations especially for those whose headquarters are outside Lusaka. Secondly, we never knew officers within the providers who were dealing with consumer complaints in that all correspondence was made to the chief executive officers.

□ Solution

- Consequently, we decided to establish a Consumer Complaints Committee whose main objective was to bring all personnel dealing with consumer complaints in the sector together. Secondly, the Committee started developing various consumer related documents like timelines for handling consumer complaints.
- Over time an effective network was established and complaint resolution became more expeditious.

Consumer Watch Groups

- Consumer Watch Groups (CWGs) were established in November 2005 through a mechanism agreed upon by three regulators namely, Communications Authority for ICT, Energy Regulation Board (ERB) for energy and National Water Supply and Sanitation Council (NWASCO) for water and sanitation.
- The rationale for the creation of CWGs was to extend the presence of regulators across the country and down to the community level.
- Membership is voluntary and members are expected to represent the three regulators in matters that relate to consumers, receive and resolve complaints, embark on consumer education in the communities they live.
- The CWGs results have been mixed. Some have effectively performed their functions while others have performed quite poorly.
- Currently, their performance is being reviewed and a re-engineering process is underway

National Consumer Conference

- The three regulators stated earlier have for two years now hosted a two day National Consumer Conference.
- The conference provides a platform where providers, consumer organizations, consumers and regulators can meet under one room and discuss matters.
- This year's conference was themed *Regulation : Key to effective service delivery and consumer protection* which attracted over 300 persons from all over the country was held from 26-27th January 2009 here in Lusaka.
- Some breakaway session included:
 - ▣ Are Zambian consumers at the mercy of service providers.
 - ▣ How effective are consumer protection laws in Zambia.
 - ▣ Standards vis a vis quality control in Zambia

National outreach programs

- We have embarked on a national outreach consumer awareness program whose objective function is to educate consumers about their rights and obligations, obtain feedback from the public about their perception of the effectiveness of the Authority as well obtain complaints.
- During these programs meetings are arranged with students, local government authorities and the general public.
- Radio interviews where radio stations are present and drama performances are made at market places where a majority of consumers are illiterate in English.
- So far half of the population has been covered.

Media Interaction

- From time to time media fora are held within the authority premises.
- At these fora , major policy decisions and consumer related issues are communicated to the members of the media for further dissemination to the general public.

Meeting with special interest groups

- In order to operationize the legislative requirement of taking care of special groups like the physically challenged and old people, we have been running targeted meetings with such groups.
- We have met the physically impaired (handicapped, blind and deaf) as well an association of the aged and pensioned people.
- During these meetings we have conducted awareness programs and then gotten feedback on the needs of the groups.
- As a result of these meetings the Authority has decided to buy special computer equipment that will enable the physically challeged to access internet.

Conclusion

- The Authority has made many strides on the three very vital fronts:
 - ▣ Consumer Education
 - ▣ Complaint investigation and resolution
 - ▣ Consumers participation in the Authority's decision making process.
- However, we believe that there is room for improvement therefore we are hopeful that this research process will provide yet another avenue for us to compare notes with other regulators and develop an internationally comparable consumer protection agenda in our quest to become an A class regulator and a relevant consumer watchdog.

□ **THANK YOU VERY MUCH.**